Revival of Co-operative Sector

1231. DR. T. SUBBARAMI REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Government have set up a task force headed by an agricultural economist to revive ailing co-operatives and boost farm credit;

(b) whether his Ministry has identified 19 models that can be funded by banks to increase rural credit by 30 per cent to Rs. 10, 400 crores this fiscal;

(c) if so, whether Government have already communicated to the top CMs to implement package announced by him in June which included cheaper credit to farm and rural project;

(d) if so, by when the task force would be giving its recommendations; and

(e) what steps are being taken to implement them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) A Task Force under the chairmanship of Prof. A. Vaidanathan has been set up on 5.8.2004 to suggest an implementable action plan for revitalization of the Rural Cooperative Banks and also to recommend an appropriate regulatory framework for the cooperatives.

(b) and (c) The Government has made an announcement on 18th June, 2004 to double the flow of credit to agriculture and allied activities in the next three years and to achieve 30% growth in credit disbursement during the curent financial year. In order to achieve credit disbursement target of Rs. 104500 crores during 2004-05, all concerned agencies have been informed to take necessary measures. RBI and NABARD have also issued guidlines to implement the package. The Chief Ministries of various State Governments have been requested to provide necessary support for implementing the package. As part of the efforts to increase the flow of credit to agriculture, NABARD has prepared 85 bankable model agriculture projects, which have been circulated to all banks and Government agencies for preparation and financing similar projects.

(d) and (e) The report of the Task Force is expected by 31st December, 2004 Necessary measures to implement the recommendations of the Task Force will be considered immediately on receipt of the report.